

SENATE BILL 4175

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18, relative to consumer protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 4 shall be amended by adding the following as a new appropriately designated section:

Bond. -

(a) In order to provide a degree of protection to members of health clubs, each health club shall post a bond of twenty-five thousand dollars (\$25,000) with the department of commerce and insurance. Such bond may be made through deposit of cash, a certificate of deposit, securities, or with a bond issued by a corporate surety acceptable to the commissioner.

(b) The bond must be maintained for two (2) years following the date on which the health club ceases to conduct business in this state.

(c) In an action brought by the attorney general and reporter pursuant to §47-18-1010 the attorney general and reporter shall have the right to request that the total amount of the bond posted by the health club be awarded to the state for consumer restitution.

SECTION 2. Tennessee Code Annotated, Title 47, Chapter 18, Part 3 shall be amended by adding the following language as a new appropriately designated section:
Cease and desist orders. -

Notwithstanding any other provision to the contrary in this chapter, whenever it appears to the commissioner that a person has violated or is violating this part, the rules promulgated thereunder, or an order of the commissioner, the commissioner may issue an order to such person to cease and desist in such violations, without prior notice. The

recipient of the order shall be afforded an opportunity for a hearing within thirty (30) business days to show cause why such order should be lifted, rescinded, or modified

SECTION 3. This Act shall take effect upon becoming a law, the public welfare requiring it.